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John Hartline, Chair

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Testimony in Support of House Bill 777 - Real Property - Partition of Property House Environment and Transportation Committee February 22, 2022

The Rural Maryland Council supports House Bill 777 - Real Property - Partition of Property. This Bill will require the court in an action to partition real property to determine whether the property is heirs' property for the purpose of partition of the property among certain co-tenants, and to determine the market value of the heir's property. By determining the ownership of heirs' property, it allows owners of such property to have proof of ownership and gives owners of heirs' farmland the opportunity to utilize many programs that they currently do not qualify for.

Heirs' property is land that has been inherited from a family member without a deed or documentation of ownership and can be passed down for generations, resulting in no clear owner or owners of the property. Families that own heirs' property are commonly minority and poorer families. This is because marginalized people historically have less access to certain resources, such as deeds to property or a will, that would have properly transferred ownership to the new owners. Heirs' property is an issue across the entire State. An article published by the Federal Reserve Bank of Richmond, *Whose Land Is It? Heirs' Property and Its Role in Generational Land Retention*, states Maryland's large black population and rural areas like parts of Appalachia and the Eastern Shore are indicators of increased likelihood of heirs' property, and that more urban areas such as Baltimore County also have higher rates of heirs' property. The Article also states the areas of Maryland with the greatest concentration of heirs' property are the Eastern Shore, Baltimore County, and Garrett County.

Owners of heirs' farmland are especially affected by having no proof of ownership. Since owners of heirs' property have no clear title to the land, they are unable to apply for the tax credits and USDA programs that a typical farmer would. By determining heirs' property of these farmlands, it will encourage farm viability and increase the farmers capabilities to grow as an agricultural business, providing more locally grown food to the State, and better economic situations for small farmers. The issue has already been a topic of concern at the federal level, with sections of the 2018 Farm Bill assisting farmers with maintaining their property and applying for programs.

The Rural Maryland Council respectfully requests your favorable support of House Bill 777.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.